



# PUBLIC NOTICE

**FEDERAL COMMUNICATIONS COMMISSION**  
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**DA 02-2797**  
**October 25, 2002**

## **REVISED INVENTORY AND AUCTION START DATE FOR CLOSED AUCTION OF LICENSES FOR CELLULAR UNSERVED SERVICE AREAS**

### **COMMENT SOUGHT ON RESERVE PRICES OR MINIMUM OPENING BIDS AND OTHER AUCTION PROCEDURES**

#### **Report No. AUC-02-47-B (Auction No. 47)**

In the *Auction No. 47 Comment Public Notice*, the Wireless Telecommunications Bureau ("Bureau") announced the auction of four licenses to provide cellular service in four unserved areas ("Auction No. 47") scheduled to commence on December 4, 2002.<sup>1</sup> By this Public Notice we revise the starting date for Auction No. 47 to February 12, 2003 and revise the auction inventory to include three additional licenses in the Cellular Radiotelephone Service. The additional spectrum to be auctioned is the subject of pending mutually exclusive long-form applications for three additional unserved area licenses. One additional license will be auctioned for each of the three additional mutually exclusive applicant groups ("MX Groups"). The three additional licenses that will be offered in Auction No. 47 and three additional MX Groups are identified in Attachment A.<sup>2</sup> This Public Notice seeks comment on procedural issues related to the auction of these licenses. The auction start date has been revised to provide additional time for bidder preparation and planning.

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<sup>1</sup> Closed Auction of Licenses for Cellular Unserved Service Areas Scheduled for December 4, 2002; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedural Issues, *Public Notice*, DA 02-2217 (rel. September 16, 2002) ("*Auction No. 47 Comment Public Notice*").

<sup>2</sup> The applicant name has been corrected for four of the applications listed in Attachment A.

## **I. Auction Structure**

### **A. Single-Round Sealed-Bid Auction Design**

In the *Auction No. 47 Comment Public Notice*, we proposed to award licenses included in Auction No. 47 in a single-round sealed-bid auction.<sup>3</sup> This methodology offers every license for bid at the same time with bidders placing one bid per license. For the same reasons we proposed to use the single-round sealed-bid format in the *Auction No. 47 Comment Public Notice*, we propose to use this format for the additional licenses. We seek comment on this proposal. We will consider comments received in response to the *Auction No. 47 Comment Public Notice* as well as comments filed in response to this Public Notice in considering whether to use a single-round sealed-bid auction design as proposed.

### **II. Reserve Price or Minimum Opening Bid**

For the additional licenses offered in Auction No. 47, the Bureau proposes to utilize the same minimum opening bid of \$500 per license as proposed in the *Auction No. 47 Comment Public Notice*.<sup>4</sup> A complete list of all licenses to be offered in Auction No. 47 and their proposed minimum opening bids is attached hereto as Attachment A. Comment is sought on this proposal. Alternatively, comment is sought on whether, consistent with the Balanced Budget Act of 1997, the public interest would be served by having no minimum opening bid or reserve price.<sup>5</sup>

### **III. Upfront Payments and Initial Maximum Eligibility for Each Bidder**

For the additional licenses in Auction No. 47, the Bureau proposes to use the same upfront payment of \$500 per license as previously proposed for the cellular unserved service area licenses in the *Auction No. 47 Comment Public Notice*.<sup>6</sup> A complete list of all licenses to be offered in Auction No. 47, including their related geographic service areas and upfront payments, is included in Attachment A. We seek comment on this proposal.

We further propose that the amount of the upfront payment submitted by a bidder will determine the number of bidding units on which a bidder may place bids. This limit is a bidder's "maximum eligibility." This number does not reflect the maximum bid that can be placed on each license. Rather, a bidder may place bids on any number of licenses as long as the sum of the bidding units associated with those licenses does not exceed its maximum eligibility. Thus, in calculating the upfront payment amount, an applicant must determine the maximum number of bidding units it may wish to bid on, and submit an upfront payment covering that number of bidding units. We seek comment on this proposal.

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<sup>3</sup> *Auction No. 47 Comment Public Notice*, Section I.A.

<sup>4</sup> *Id.* at Section II.B.

<sup>5</sup> See 47 U.S.C. § 309(j) (as amended by Balanced Budget Act, Section 3002(a)). The Commission's authority to establish a reserve price or minimum opening bid is set forth in 47 C.F.R. § 1.2104(c) and (d).

<sup>6</sup> *Auction No. 47 Comment Public Notice*, Section I.B.

#### IV. Other Auction Procedural Issues

In the *Auction No. 47 Comment Public Notice*, the Bureaus also set forth and sought comment on the following proposals relating to auction structure and bidding procedures: (1) information relating to auction delay, suspension or cancellation; (2) round structure; (3) minimum acceptable bids; (4) winning bids and tied bids; and (5) information regarding bid withdrawal and bid removal. For the additional licenses in Auction No. 47, the Bureau proposes to utilize the same auction structure and bidding procedures proposed in the *Auction No. 47 Comment Public Notice*.<sup>7</sup> We seek comment on these proposals as they relate to the three additional licenses included in Attachment A.

#### V. Conclusion

Comments are due on or before November 1, 2002, and reply comments are due on or before November 8, 2002. The Bureau requires that all comments and reply comments be filed electronically. Comments and reply comments must be sent by electronic mail to the following address: [auction47@fcc.gov](mailto:auction47@fcc.gov).<sup>8</sup> The electronic mail containing the comments or reply comments must include a subject or caption referring to Auction No. 47 Comments. The Bureau requests that parties format any attachments to electronic mail as Adobe® Acrobat® (pdf) or Microsoft® Word documents. Copies of comments and reply comments will be available for public inspection during regular business hours in the FCC Public Reference Room, Room CY-A257, 445 12th Street, SW, Washington, DC 20554.

**In addition, the Bureau requests that commenters fax a courtesy copy of their comments and reply comments to the attention of Kathryn Garland at (717) 338-2850.**

This proceeding has been designated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules.<sup>9</sup> Persons making oral ex parte presentations are reminded that memoranda summarizing the presentations must contain summaries of the substance of the presentations and not merely a listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required.<sup>10</sup> Other rules pertaining to oral and written ex parte presentations in permit-but-disclose proceedings are set forth in Section 1.1206(b) of the Commission’s rules.<sup>11</sup>

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<sup>7</sup> *Id.* at Section I-II.

<sup>8</sup> Comments and reply comments in response to this Public Notice may **not** be filed using the Commission’s Electronic Comment Filing System, which is used for the Commission’s docketed rule making proceedings.

<sup>9</sup> 47 C.F.R. §§ 1.1200(a), 1.1206.

<sup>10</sup> 47 C.F.R. § 1.1206(b).

<sup>11</sup> *Id.*

For further information concerning this proceeding, contact the Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, as listed below:

For legal questions: Kenneth Burnley (202) 418-0660

For general auction questions: Jeff Crooks (202) 418-0660  
Lisa Stover (717) 338-2888

For service rule questions: Amal Abdallah, Jay O'Connor or Mike Kleeb at (202) 418-0620

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